of a nonresident alien landlord by a tenant, pursuant to the terms of the lease, constitute fixed or determinable annual or periodical income.

SEC. 19.211–7. *Taxation of nonresident alien individuals.*—For the purposes of this section and sections 19.212–1, 19.213–1, 19.214–1, and 19.217–2, nonresident alien individuals are divided into three classes: (1) nonresident alien individuals not engaged in trade or business within the United States and not having an office or place of business therein at any time during the taxable year, and deriving in the taxable year not more than $21,600 gross amount of fixed or determinable annual or periodical income from sources within the United States; * * *

(*a*) ***No United States business or office—General rule.***—A nonresident alien individual within class (1), referred to in the preceding paragraph, is liable to the tax upon the amount received from sources within the United States, determined under the provisions of section 119, which is fixed or determinable annual or periodical gains, profits, and income. For the purposes of section 211 (a), the term "amount received" means "gross income." Specific items of fixed or determinable annual or periodical income are enumerated in the Internal Revenue Code as interest (except interest on deposits with persons carrying on the banking business), dividends, rents, salaries, wages, premiums, annuities, compensation, remunerations, and emoluments, but other fixed or determinable annual or periodical gains, profits, and income are also subject to the tax, as, for instance, royalties. As to the deter-

mination of fixed or determinable annual or periodical income, see section 19.143–2.

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SEC. 19.212–1. *Gross income of nonresident alien individuals.*— * * *

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(*a*) ***No United States business or office.***— The gross income of a nonresident alien individual not engaged in trade or business within the United States and not having an office or place of business therein at any time during the taxable year, whether such alien comes within section 211 (a) or section 211 (c), is gross income from sources within the United States consisting of fixed or determinable annual or periodical income. His taxable income does not include profits derived from the effecting of transactions in the United States in stocks, securities, or commodities (including hedging transactions) through a resident broker, commission agent, or custodian, or profits derived from the sale within the United States of personal property or real property located therein.

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SEC. 19.213–1. *Deductions allowed nonresident alien individuals*—(*a*) *No United States business or office*—(1) *General rule.*—In general, a nonresident alien individual not engaged in trade or business within the United States and not having an office or place of business therein at any time during the taxable year is not allowed any deductions, the tax being imposed upon the amount of gross income received.

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